



## Supplier Relationship Management (SRM) 7.2

### Options to Header Freight on Purchase Order

SAP does not support Conditions at the Purchase Order Header Level in SRM 7.2. Therefore, the previous Header Condition functionally used in Enterprise Central Component (ECC) is no longer available in SRM. Conditions at the Line Item are available. The following options are offered as alternatives for your agency in using line item conditions. Each Purchase Order situation and financial objective will need to be evaluated to determine the best option for your agency.

#### 1. **Inventory Purchase Orders**

Each Material Master's Moving Average Price is extremely important to the value of your Plant's inventory. Consequently, if freight is being charged on the Inventory Purchase Order as an external charge, then the freight charge must be accounted for in the total cost of goods for each line item.

Example: A two (2) line item PO with a Unit Price of \$100.00 for line item 1 and a Unit Price of \$300.00 for line item 2.

The total freight bill for both line items is \$70.00. The freight cost must be divided equally in order to add the fair share of the freight to each line item.

The SCEIS Materials Management team has created a uPerform titled *SRM PUR Add Conditions to Purchase Order* for your use to add Conditions at the line item level.

#### 2. **Assets Purchase Orders**

Procurement of Assets follows the same logic as Inventory Purchase Orders.

#### 3. **Non-Inventory and Non-Asset Purchase Orders**

Non-inventory and non-asset purchase orders are not classified in the similar manner as the above situations. Therefore, the freight charges associated with these purchases may be created as a separate line item on a Purchase Order. In such cases, the retrieval of freight conditions during reporting will be negatively impacted, because the data will be recorded as a separate line item verses a condition.